

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
February 5, 2013

Chairman Boyd called the meeting to order at 10:00 a.m.

Board Members present were as follows:

James Boyd	Hilda Fernandez	Carla Gomez
Jorge Gomez	Warren Green	Ray Horday
Richard McKinnon	Jonathan Sinkes	

Members absent - Patricia Walker

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Administrator
Eva Phillips	Disability applicant
Evette Phillips	Employee member
Clement Johns	Fund's external auditor, GSK
Vincent Carrodegua	Fund's external auditor, GSK
Bill Cottle	Fund Evaluator
David Schwarzenberger	Investment Manager, WHV
Reiner Triltsch	Investment Manager, WHV
Mariko Boswell	Investment Manager, PIMCO
Jonathan Woodroff	Meeting attendee
Edzai Chinedza	Meeting attendee

CONSENT AGENDA

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and with all in favor it was unanimously

RESOLVED that the Addendum to the Consent Agenda for items C-13(3), C-13(4) and C-5 be added to the Consent Agenda.

A motion was made by Mr. Green duly seconded by Mr. McKinnon, and with all in favor it was unanimously

RESOLVED that the consent agenda be approved as amended except for Item C-13(3), reimbursement for Ray Horday.

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A motion was made by Ms. Fernandez duly seconded by Mr. McKinnon, and with all in favor except Mr. Horday who abstained it was

RESOLVED that item C-13(3), reimbursement for Ray Horday, be approved as presented.

C-1 The Minutes of the January 8, 2013 board meeting were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Nydia Gutierrez	20158	Special Projects Coord.	UNC	1/2/2013
Elizabeth Vergara	20159	Leasing Specialist	UNC	1/3/2013
Aristides Cuba	20161	Info Tech Spec II	UNC	1/7/2013

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
William Azzinaro	03/01/2013	Ordinary (50%)	\$ 7,256.86
Ralph Reese	02/01/2013	Ordinary (LA)	\$ 834.99

C-4 New Pensioner Allowances were approved as follows - (None)

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Andres Ruiz	01/27/2013	\$13,100.25	Resignation
Jennifer Rodriguez	01/25/2013	\$15,319.70	Resignation
Sonia Louis	08/26/2012	\$ 3,221.88	Resignation
Jennifer White	02/01/2013	\$ 8,688.23	Termination

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>Total Buyback</u>	<u>Buyback Type</u>
Laureano Cabrera	1/11/2013	0.51	125.29	\$ 3,481.36	Probationary
Martha Joan	12/18/2013	0.51	108.02	\$ 2,611.68	Probationary

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C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>Employee Name</u>	<u>Private Sector</u>	<u>Prior Military</u>	<u>Prior Gov't</u>	<u>Cred. Service Applying for</u>
Pablo H. Solano		x		2.0
Richard C. Zuech	x			2.0
Keith Valles		x		2.0
John P. Anthony		x		2.0
Shuler Evins	x			2.0
Emilio H. Brocato	x			2.0

C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective</u>	<u>Estimated Monthly Benefit</u>	<u>Last DROP Pmt.</u>
Barbara Taylor	02/01/2013	\$ 3,759.35	01/31/2016
Kevin Timmony	03/01/2013	\$ 4,855.09	02/28/2016

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>DATE</u>	<u>NAME</u>	<u>CK#</u>	<u>AMOUNT</u>
1/03/2013	IRA Rollover- FBO Dorothy Dorrestyn	113633	\$ 22,324.21
1/14/2013	Lump Sum- Gustavo Andino	113648	\$ 4,385.78
1/14/2013	945 Tax Deposit Gustavo Andino	xxxx	\$ 1,096.44
1/15/2013	Lump Sum- Gerardo Usallan	113655	\$ 3,723.30
1/15/2013	945 Tax Deposit -Gerardo Usallan	xxxx	\$ 930.82

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

C-13 Requests for Payment (Conferences)

ADMINISTRATIVE EXPENSES

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of February	\$	5,000.00
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Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of February	\$	350.00
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Medical Records- Info Copy

Request for Medical records for disability applicant A. Raines	\$	73.04
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Medical Board- Cornel Lupu, MD

Medical exam for disability applicant Eva Phillips	\$	375.00
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Medical Board- Frank Fuentes, MD

Medical exam for disability applicant Eva Phillips	\$	275.00
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Office, etc.

Storage - IDD

Monthly storage fee per inv.# 0074542	\$	49.13
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Printing & Postage- Central Services

Printing & mailing charges for the month of Dec. 2012	\$	704.47
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Office Maintenance- CMB Property Management

Maintenance & Repair charges for December 2012	\$	1,126.38
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Printing & Postage- ISA Printing & Bindery

Binding of 2013 Board Minutes & Agenda Inv. #59307	\$	75.00
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Investment Consultant Fees

Investment Management Fees- Rhumblin Advisers

Per Inv.# gmbeach2012Q4 dated 1/10/13	\$	16,347.00
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Investment Management Fees- Rhumblin Advisers

Per inv.# mbgadr2012Q4 dated 1/10/13	\$	3,750.00
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Custody Fees

Custodian Fees- Fiduciary Trust Int'l

Quarterly Custody Fee WHV Qtr. Ending 12/31/12	\$	1,451.31
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Custody Fees- Fiduciary Trust Int'l

Quarterly Custody fee GE Ret. Sys. Qtr. Ending 12/31/12	\$	5,706.35
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Conv/Seminars/Dues/Etc

(1) Conf. & Education.- FPPTA

Trustees School Registration for Echo Herman Jan. Trustees School	\$	450.00
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(2) Conf. & Education. - Echo Herman

Travel Expense Reimbursement for FPPTA Trustees School	\$	1,060.00
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(3) Conf. & Education. – Ray Horday

Travel Expense Reimbursement for FPPTA Trustees School	\$	468.41
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(4) Conf. & Education.- Echo Herman

Travel Expense Reimbursement for FPPTA Trustees School	\$	79.92
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REGULAR AGENDA

A motion was made by Mr. Green duly seconded by Mr. McKinnon, and with all in favor it was unanimously

RESOLVED that the Addendum to the Regular Agenda for items R-2(D) Reply from medical board regarding fees & R-2(E) Employer Gerald Falconer request for tier status review be added to the Regular Agenda.

R-1 Deferred Items - (None)

R-2 New Items -

A. Informal disability hearing for Eva Phillips - Mr. Cypen went over Ms. Phillips' disability report. He reviewed the medical evaluation summary as well as the report of physical examiners. He said that the medical board doctors all agreed that Ms. Phillips' disability is total, permanent and service connected. The administrator went over the disability summary page from the report. He stated that based on Ms. Phillips' age and years of creditable service she would most likely be subject to a pension offset at normal retirement age. A discussion ensued.

A motion was made by Mr. Green duly seconded by Mr. Sinkes, and with all in favor, it was unanimously

RESOLVED that Ms. Eva Phillips be granted a service connected disability.

B. September 30, 2012 financial Statements presentation by Clement Johns & Vincent Carrodegua from GSK CPA's - Mr. Johns and Mr. Carrodegua went over the 9/30/2012 financial statements. Mr. Carrodegua stated that GSK had issued an unqualified opinion of the Plan's financial statements. Mr. Carrodegua reviewed the Statement of Plan Net Assets, Statements of Changes in Plan Net Assets and Notes to Financial Statements.

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Mr. Johns said that the Plan's net assets had increased from \$361,987,491 on 9/30/11 to \$422,514,412 on 9/30/12 primarily due to net investment income of approximately \$73.9 Million. Mr. Johns and Mr. Carrodeguas continued to go over the remainder of the report.

A motion was made by Mr. Green duly seconded by Ms. Gomez, and with all in favor, it was unanimously

RESOLVED that the September 30, 2012 Financial Statements be approved as presented.

C. MBERP Draft Budget 2012/2013 - There was no action taken on this item.

D. Reply from medical board regarding fees - The Board reviewed the medical board's letter dated January 24, 2013 requesting that the chairman of the medical board's fee be increased to \$1000 and that the other member's fee remain at \$275 per exam. A discussion ensued.

A motion was made by Mr. McKinnon duly seconded by Ms. Gomez, and with all in favor, it was unanimously

RESOLVED that the chairman of the medical board's fee be increased to \$1000 and that the other member's fee remain at \$275 per evaluation.

E. Employee Gerald Falconer request for tier status review - Mr. Falconer, a tier 'B' employee, requested that the Board consider his tier status as 'A'. Mr. Cypen said that Mr. Falconer had terminated employment and subsequently been re-hired beyond the tier 'B' bifurcation date. He said that the tier status in the pension ordinance is governed by the latest hire date and therefore Mr. Falconer should remain in the 'B' tier. A discussion ensued. No action was necessary.

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R-3 Other Business

- A. The Administrator's Report - The Administrator reported that the Fund's Actuary, Melissa Algayer from GRS, would be presenting the October 1, 2012 valuation at the next pension board meeting.

R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle went over the Fund's 4th quarter performance results. He said that the Fund earned 1.8% for the 4th quarter of 2012 and 13.1% for the entire year. Mr. Cottle continued to go over the performance of the Fund as per the quarterly report.

Mr. Cottle reviewed a Memo he prepared on open-end and REIT real estate investment options. A discussion ensued. Mr. Cottle recommended an open-end real estate option for the Plan. Mr. Cottle was instructed to proceed further in researching this option and report the findings to the Board. Mr. Cottle reviewed several Memos he prepared for the Board on different investment options. He did not endorse any of these investment options. Mr. Cottle went over a Memo on management and ownership changes at WHV. He concluded his presentation.

- B. Equity manager presentations - David Schwarzenberger of WHV Investment Advisers reviewed the WHV International ADR account performance per their quarterly report. Reiner Triltsch, portfolio manager for the WHV emerging market fund, went over the WHV emerging markets quarterly report. Mr. Triltsch updated the Board on the management and ownership changes at WHV.

Mariko Boswell, Investment Manager for PIMCO, introduced herself to the Board. She reviewed PIMCO's January 2013 performance and went over her the PIMCO report.

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R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Mr. Green and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:34 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary